

Disposal Contract

THIS CONTRACT, made and entered into this 22 day of August, 2013, by and between the CUMBERLAND PLATEAU REGIONAL WASTE MANAGEMENT AUTHORITY, an authority created under the provisions of the Virginia Water and Sewer Authorities Act, (hereinafter called the "Authority") represented herewith by its duly appointed Chairman of the Board of Directors, Frank Horton, and Eco Safe Systems, LLC., a Tennessee limited liability company qualified to do and actually doing business in the State of Tennessee (hereinafter called "Contractor"),

WITNESSED, THAT in consideration of the covenants and agreements herein contained, to be performed by the parties hereto and of the payments hereinafter agreed to be made, it is mutually agreed as follows:

1. The Contractor is hereby granted the sole and exclusive rights for the disposal of solid waste generated within the Authority's three (3) transfer stations – Buchanan, Dickenson, and Russell, in accordance with all applicable Federal, State, and local laws and regulations during term of this Contract.
2. The Contract Documents shall include the following documents, and this Contract does hereby expressly incorporate same herein as fully as if set forth verbatim in this Contract:
 - a. Exhibit A - General Specifications
 - b. Exhibit B - Insurance Requirements
 - c. Exhibit C - Contractor's Proposal/Pricing
 - d. Exhibit D - Contractor's Letter of Credit
 - e. This Instrument
 - f. Any addenda or changes to the foregoing documents agreed to by the parties hereto.
3. All provisions of the Contract Documents shall be strictly complied with and conformed to by the Contractor, and no amendment to this Contract shall be made except upon written consent of the parties. No amendment shall be construed to release either party from any obligation of the Contract Documents except as specifically provided for in such amendment.
4. The initial term if this Contract shall be from October 27, 2013 (the "Effective Date") until October 27, 2018. Upon mutual agreement between the parties the Contract may be extended in additional five (5) year extensions under the same terms and conditions. It is understood that both parties must agree, with written notification, of this extension at least sixty (60) days prior to the expiration date as defined herein. Disposal rates for all extensions must be agreed upon by Authority and Contractor.

IN WITNESS HEREOF, the Authority and Contractor have executed this Contractor as of the date first written above. Frank Horton, Chairman, is the Authorized Agent of the Cumberland Plateau Regional Waste Management Authority and authorized to sign this Contract on behalf of the Cumberland Plateau Regional Waste Management Authority. Walter H. Hall, Jr. COO is the Authorized Agent of Eco Safe Systems, LLC and is authorized to sign this Contract on behalf of Eco-Safe Systems, LLC.

WITNESSES: Cumberland Plateau Regional Waste Management Authority
[Signature] BY: *[Signature]*
 Frank Horton, CPRWMA Chairman

[Signature] ON: 22 August, 2013

WITNESSES: Contractor: Eco Safe Systems, LLC.

[Signature] BY: *[Signature]*
 Walter H. Hall, Jr. COO

[Signature] ON: August 20, 2013

THUS DONE AND SIGNED in the presences of witnesses whose names are inscribed opposite each respective signature on and as of the 20 day of August, 2013.

WITNESS MY HAND AND SEAL OF OFFICE *[Signature]*
 NOTARY PUBLIC

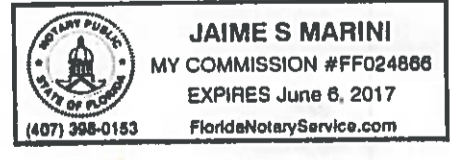


EXHIBIT A
GENERAL SPECIFICATIONS - INDEX

1.0 DEFINITIONS OF ITEMS INCLUDED IN THIS CONTRACT

- 1.01 Authority
- 1.02 Disposal Site
- 1.03 Solid Waste

2.0 DEFINITIONS OF ITEMS EXCLUDED FROM THIS CONTRACT

- 2.01 Hazardous Waste
- 2.02 Offal Waste
- 2.03 Special Waste

3.0 SCOPE OF WORK

- 3.01 General
- 3.02 Work Not Covered By Contract

4.0 GENERAL PROVISIONS

- 4.01 Hours of Operation
- 4.02 Holidays
- 4.03 Office
- 4.04 Disposal
- 4.05 Delivery
- 4.06 Point of Contact

5.0 BASIS OF PRICES AND METHOD OF PAYMENT

- 5.01 Disposal Rates (Exhibits C)
- 5.02 Additional Costs and Charges
- 5.03 Modification to Rates
- 5.04 Contractor Billings to Authority

6.0 COMPLIANCE WITH LAWS

7.0 RISK ALLOCATION AND INDEMNITY

8.0 LICENSES AND TAXES

9.0 FORCE MAJEURE

10.0 ASSIGNMENT OF CONTRACT

11.0 EXCLUSIVE CONTRACT

12.0 TITLE TO WASTE

13.0 TERMINATION OF CONTRACT

14.0 MISCELLANEOUS TERMS

EXHIBIT A
GENERAL SPECIFICATIONS

1.0 DEFINITIONS OF ITEMS INCLUDED IN THIS CONTRACT

- 1.01 **Authority, CUMBERLAND PLATEAU REGIONAL WASTE MANAGEMENT AUTHORITY**
– The geographical area comprised of all of the incorporated and unincorporated areas within each of the Counties which is a Member of the Authority - Buchanan, Dickenson, and Russell Counties and any County within the State of Virginia adjacent to (having a common boundary with) any Member that may enter into an agreement with the Authority after the date hereof relating to such adjacent County's use of the Authority's Transfer Stations.
- 1.02 **Disposal Site** –The municipal solid waste landfill owned and operated by Eco Safe Systems, LLC located in Blountville, Tennessee in Sullivan County, Tennessee, permitted or approved by all governmental bodies and agencies having jurisdiction and requiring such licenses, permits or approvals to receive for processing or final disposal of Waste Material and Small Dead Animals.
- 1.03 **Solid Waste** – useless, unwanted or discarded materials with insufficient liquid content to be free-flowing, that result from domestic, industrial, commercial, agricultural, governmental and community operations which require proper storage, collection, transportation and disposal to prevent environmental pollution inimical to public health, safety and welfare. Solid Waste does not include sewage, earth or material used to fill land in accordance with construction codes, mining residues, slag, dissolved or suspended solids in industrial waste water effluents which are not acceptable for disposal in sanitary sewage treatment system or any material included in the definition of Excluded Waste which is defined to include all of the materials set forth in Section 2.0 below.

2.0 DEFINITIONS OF ITEMS EXCLUDED FROM THIS CONTRACT

- 2.01 **Hazardous Waste (excluded from this Contract)**– Hazardous Waste is a form of Excluded Waste and is defined as any radioactive, volatile, corrosive, highly flammable, explosive, biomedical, infectious, biohazardous, toxic or listed or characteristic Hazardous Waste as defined by federal, state, provincial or local law or any otherwise regulated waste. Hazardous Waste shall include, but not be limited to, any amount of waste listed or characterized as hazardous by the United States Environmental Protection Agency or any state agency pursuant to the Resource Conservation and Recovery Act of 1976, as amended, and including future amendments thereto, and any other applicable federal, state or local laws or regulations.
- 2.02 **Offal Waste (excluded from this Contract)**– Waste animal (land or marine) matter from establishments such as butcher shops, slaughterhouses, food processing and packing plants, rendering plants and fertilizer plants.
- 2.03 **Special Waste (excluded from this Contract)**– Special Waste is a form of Excluded Waste and is defined as nonhazardous, solid waste that is subject to additional governmental regulations or special handling requirements in collection, transportation, processing or disposal as a result of the characteristics of, or processes which generate, such waste. Special Waste includes, but is not limited to:
- (a) waste iron from a commercial or industrial activity;
 - (b) waste generated by an industrial process or a pollution control process;
 - (c) waste which may contain free liquids;
 - (d) waste which may contain residue and debris from the cleanup of a spill of petroleum, chemical or commercial products or wastes, or contaminated residuals;
 - (e) articles from the cleanup of a facility which generates, stores, treats, recycles or disposes of chemical substances, commercial products or wastes;
 - (f) wastes which are nonhazardous as a result of proper treatment pursuant to Subtitle C of the Resource Conservation and Recovery Act of 1976 ("RCRA");
 - (g) asbestos containing or asbestos bearing material that has been properly secured under existing federal, state, provincial and local laws, rules and regulations;
 - (h) containers that once contained hazardous substances, chemicals, or insecticides so long as such containers are "empty" as defined by RCRA;
 - (i) municipal or commercial solid waste that may have come into contact with any of the foregoing;
 - (j) filter cake sludge wastes from waste water treatment processes;
 - (k) wastes containing any regulated polychlorinated biphenyls; and,
 - (l) ash, sludge, whole tires and powders.

3.0 SCOPE OF WORK

- 3.01 General. The work under this Contract shall consist of disposing of all Solid Waste transported by the Authority's agent to the Disposal Site defined above in accordance with and subject to the terms and conditions of this Contract.
- 3.02 Work Not Covered By Contract. The work under this Contract does not include transportation from the Authority's Transfer Stations and disposal of Excluded Waste materials.

4.0 GENERAL PROVISIONS

- 4.01 Hours of Operation
Disposal of Waste Material shall not start before 6:00 A.M. or continue after 4:00 P.M. on the same day. Exceptions to operation hours shall be effected only upon the mutual agreement of the Authority and Contractor, or when Contractor reasonably determines that an exception is necessary in order to complete disposal due to unusual circumstances.
- 4.02 4.02 Holidays – The following shall be holidays for purposes of this Contract:

New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day

Contractor or the Authority may decide to observe any or all of the above mentioned holidays by suspension of disposal service on the holiday.
- 4.03 Office – The Contractor shall maintain an office or such other facilities through which it can be contacted by direct visit or by local (toll free) call from anywhere in the Authority's area. It shall be equipped with sufficient telephones and shall have a responsible person in charge from 8:00 A.M. to 5:00 P.M. on regular days of operation.
- 4.04 Disposal – The Authority will use the Disposal Site, directly or via Cumberland Plateau Transfer Stations, for the disposal of all Cumberland Plateau solid waste and such approved special waste delivered to the Authority's Transfer Stations in accordance with the terms and provisions of this Contract. During the Term hereof, the Authority shall take all action necessary, whether or not by legislative means or otherwise, to direct the flow of solid waste to the Disposal Site and otherwise require the use of the Disposal Site by its Affiliates, members, employees, franchised haulers and constituents and their Affiliates. The Authority shall not take any action by contract or otherwise to direct solid waste away from the Disposal Site or to another location. The Authority irrevocably covenants and agrees to deliver and hereby guarantees that, commencing as of the Effective Date it shall deliver to the Disposal Site all Acceptable Solid Waste which is collected or controlled by the Authority. The Disposal Site shall be the exclusive disposal facility used by the Authority and its Affiliates, its members, employees, franchised haulers, and constituents and their Affiliates, and any other entity owned, controlled, managed or financed (directly or indirectly) by the Authority with respect to Acceptable Solid Waste collected or controlled by Authority in the Service Area during the Term. The exclusivity provisions of this Agreement shall apply to and are binding on the Authority and its Affiliates, its employees, franchised haulers and their Affiliates, and any other entity, agency, division, or department of the County and their respective successors and assigns.
- 4.05 Delivery – All solid waste will be delivered by an agent of the Authority.
- 4.06 Point of Contact – All dealing, contacts, etc., between the Contractor and the Authority shall be directed by the Contractor to the Authority's point of contact specified in the applicable Exhibit, and, by the Authority to the Contractor's General Manager or Operations Manager.

5.0 BASIS OF PRICES AND METHOD OF PAYMENT

- 5.01 Disposal Rates (Exhibits C) - The prices to be paid by the Authority for the disposal of Waste Material from all Cumberland Plateau Transfer Stations shall be as shown on Exhibit C, as adjusted in accordance with Section 5.04 herein. The Authority shall also pay Contractor the other costs and charges as specified in Section 5.03 herein.
- 5.02 Additional Costs and Charges

- 5.02.1 Cost Recovery Fees - Environmental Recovery Fee. In addition to the rates set forth in other sections of this Contract, Contractor will charge an Environmental Recovery Fee (the "ERF"), which is a set amount per disposal load. The ERF is assessed to meet environmental compliance requirements at landfills and transfer stations, such as closure and post-closure costs, leachate management, landfill cell construction costs, landfill gas management, permitting costs, etc.
- 5.02.2 Pass Through Tax/Cost Increases. Contractor may pass through certain cost increases directly to the Authority to adjust for increases in cost to Contractor due to the changes in taxes, fees, change in law or other governmental charges (other than income or real property taxes).
- 5.02.3 Except as provided expressly herein, the charges for Contractor's service with respect to this work shall include all taxes and disposal fees.

5.03 Modification to Rates - The fees in Exhibit C which may be charged by the Contractor for the first and subsequent years of the term hereof shall be effective October 27 annually.

5.04 Contractor Billings to Authority - The Contractor shall bill the Authority for Waste Material disposal services rendered to Cumberland Plateau Regional Waste once a month and will be issued within ten (10) days following the end of the month and the Authority shall pay the Contractor within 60 days of invoice date. Such billing and payment shall be based on the price rates and schedules set forth in the Contract Documents. Payments not made by the Authority on or before their due date shall be subject to late fees of: a) the greater of five dollars (\$5) or one and one-half percent (1.5%) per month or portion thereof; or, b) the maximum allowed by law, if less than a). In the event the Authority withholds payment of a portion or whole of an invoice and it is later determined that a portion or all of such withheld amount is owed to Contractor, such amount shall be subject to the late fees provided herein from the original due date until paid by Authority.

6.0 COMPLIANCE WITH LAWS

The Contractor shall conduct operations under this Contract in compliance with all applicable laws; provided, however, that the Contract shall govern the obligations of the Contractor where there exist conflicting ordinances of the Authority on the subject.

7.0 RISK ALLOCATION AND INDEMNITY

7.01 Authority shall be responsible for any and all claims for personal injuries or death, or the loss of life or damage to property to the extent caused by the Authority's negligence or acts of willful misconduct or those of its contractors or agents.

7.02 In the event any Excluded Waste is not discovered by Contractor before it is disposed of in the Advance Disposal landfill, Contractor may, in its sole discretion, remove, transport and dispose of such Excluded Waste at a location authorized to accept such Excluded Waste in accordance with all applicable laws and charge the depositor or generator of such Excluded Waste all direct and indirect costs incurred due to removal, remediation, handling, transportation, delivery and disposal of such Excluded Waste. The Authority shall provide all reasonable assistance to Contractor to conduct an investigation to determine the identity of the depositor or generator of the Excluded Waste and to collect the costs incurred by Contractor in connection with such Excluded Waste. Subject to the Authority's providing all such reasonable assistance to Contractor, Contractor shall release Authority from any liability for any such costs incurred by Contractor in connection with such Excluded Waste, except to the extent that such Excluded Waste is determined to be attributed to the Authority.

8.0 LICENSES AND TAXES

The Contractor shall obtain all licenses and permits (other than the license and permit granted by this Contract) and promptly pay all taxes required by the State.

9.0 FORCE MAJEURE

Except for Authority's obligation to pay amounts due to Contractor, any failure or delay in performance under this Contract due to contingencies beyond a party's reasonable control, including, but not limited to, strikes, riots, terrorist acts, compliance with applicable laws or governmental orders, fires, bad weather and acts of God, shall not constitute a breach of this Contract, but shall entitle the affected party to be relieved of performance under this Contract during the term of such event and for a reasonable time thereafter.

10.0 ASSIGNMENT OF CONTRACT

Neither party shall assign this Contract in its entirety without the other party's prior written consent, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, Contractor may assign this Contract without the Authority's consent to its parent companies or any of their subsidiaries, to any person or entity who purchases any operations from Contractor or as a collateral assignment to any lender to Contractor.

11.0 EXCLUSIVE CONTRACT

The Contractor shall have an exclusive privilege to provide Waste Material disposal services within the Authority's area as defined in section 1.01 of this Contract.

12.0 TITLE TO WASTE

Title to Waste Materials delivered by the Authority shall pass to the Contractor when accepted by Contractor's landfill. Title to and liability for any Excluded Waste shall remain with the generator or depositor of such waste and shall at no time pass to Contractor.

13.0 TERMINATION OF CONTRACT

13.01 In the event of a failure by Contractor to perform any material provision of this Contract, the Authority shall give written notice of such breach to the Contractor along with at least thirty (30) days (the "cure period") to correct such breach. Authority may terminate this Contract after such cure period if Contractor has not adequately corrected such breach in accordance with this Contract and Authority so notifies Contractor in writing of such termination action. At such time, Authority shall pay Contractor only all charges and fees for the services performed on or before such termination date. Thereafter, in the event such termination occurs during the initial term of this Contract, Authority, as its sole and exclusive remedy may exercise its rights under Contractor's performance bond, and procure the services of another waste services provider to complete the work covered under this Contract for the remainder of the time period covered by the initial term of this Contract. Except for such right during the initial term of this Contract, following any such termination and the final payment from the Authority to the Contractor, neither party shall have any further obligation under this Contract other than for claims for personal injuries or property damage as expressly provided in this Contract and arising prior to such termination date.

13.02 In the event of a failure by Authority to perform any material provision of this Contract, the Contractor shall give written notice of such breach to the Authority along with at least thirty (30) days (the "cure period") to correct such breach. Contractor may terminate this Contract after such cure period if Authority has not adequately corrected such breach in accordance with this Contract and Contractor so notifies Authority in writing of such termination action. At such time, Authority shall pay Contractor for all charges and fees for the services performed on or before such termination date. Thereafter, following any such termination and the final payment from the Authority to the Contractor, neither party shall have any further obligation under this Contract other than for claims for personal injuries or property damage as expressly provided in these terms and arising prior to such termination date.

14.0 MISCELLANEOUS TERMS

14.01 No liquidated damages or penalties may be assessed against Contractor by Authority.

14.02 No intellectual property (IP) rights in any of Contractor's IP are granted to Authority under this Contract.

14.03 This Contract shall be binding upon and inure solely to the benefit of the parties and their permitted assigns.

14.04 If any provision of this Contract shall be invalid, illegal or unenforceable, it shall be modified so as to be valid, legal and enforceable but so as most nearly to retain the intent of the parties. If such modification is not possible, such provision shall be severed from this Contract. In either case, the validity, legality and enforceability of the remaining provisions of this Contract shall not in any way be affected thereby.

14.05 The failure or delay on the part of either party to exercise any right, power, privilege or remedy under this Contract shall not constitute a waiver thereof. No modification or waiver by either party of any provision shall be deemed to have been made unless made in writing. Any waiver by a party for one or more similar events shall not be construed to apply to any other events whether similar or not.

- 14.06 This Contract shall be interpreted and governed by the law of the Commonwealth of Virginia and jurisdiction and venue for any litigation commenced under this contract shall lie in the Commonwealth of Virginia.
- 14.07 This Contract sets forth the entire agreement of the parties and supersedes all prior agreements, whether written or oral, that exist between the parties regarding the subject matter of this Contract.

Workers' Compensation

Coverage A	Statutory
Coverage B - Employers Liability	\$1,000,000 each Bodily Injury by Accident \$1,000,000 policy limit Bodily Injury by Disease \$1,000,000 each occurrence Bodily Injury by Disease

Automobile Liability

Bodily Injury/Property Damage Combined – Single Limit	\$3,000,000 Coverage is to apply to all owned, non-owned, hired and leased vehicles (including trailers).
Pollution Liability Endorsement	MCS-90 endorsement for pollution liability coverage

Commercial General Liability

Bodily Injury/Property Damage Combined – Single Limit	\$2,500,000 each occurrence \$5,000,000 general aggregate
--	--

All such insurance policies will be primary without the right of contribution from any other insurance coverage maintained by Authority. All policies required herein shall be written by insurance carriers with a rating of A.M. Bests of at least "A-" and a financial size category of at least VII. Upon Authority's request, Contractor shall furnish Authority with a certificate of insurance, evidencing that such coverages are in effect. Such certificate: (i) will also provide for 30 days prior written notice of cancellation to the Authority; (ii) shall show Authority as an additional insured under the Automobile and General Liability policies; and, (iii) shall contain waivers of subrogation in favor of Authority (excluding Worker's Compensation policy) except with respect to the sole negligence or willful misconduct of Authority. In addition, the following requirements apply:

- The Commercial General Liability policy must include Contractual Liability coverage specifically covering Contractor's Indemnification of Authority herein.
- Coverage must be provided for Products/Completed Operations.
- The policy shall also contain a cross Liability/Severability of Interests provision assuring that the acts of one insured do not affect the applicability of coverage to another insured.

EXHIBIT C
CONTRACTOR'S PROPOSAL/PRICING

Disposal Rates (all Transfer Stations) includes annual price increase

Year 1 (October 27, 2013-October 27, 2014)	\$16.07 / Ton
Year 2 (October 27, 2014-October 27, 2015)	\$16.47 / Ton
Year 3 (October 27, 2015-October 27, 2016)	\$16.88 / Ton
Year 4 (October 27, 2016-October 27, 2017)	\$17.30 / Ton
Year 5 (October 27, 2017-October 27, 2018)	\$17.74 / Ton

EXHIBIT D
CONTRACTOR'S LETTER OF CREDIT

To be provided by Contractor.